

VZCZCXYZ0001
RR RUEHWEB

DE RUEHGT #0845 1892223
ZNR UUUUU ZZH
R 072223Z JUL 08
FM AMEMBASSY GUATEMALA
TO RUEHC/SECSTATE WASHDC 5678
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUEHC/DEPT OF LABOR WASHDC

UNCLAS GUATEMALA 000845

SIPDIS

DEPT FOR DRL/ILCSR
DOL FOR CROMERO, PCHURCH, LBUFFO

E.O. 12958: N/A

TAGS: [ELAB](#) [EIND](#) [ETRD](#) [PHUM](#) [ECON](#) [KJUS](#) [KDEM](#) [GT](#)
SUBJECT: GUATEMALAN LABOR MINISTRY HOSTS NATIONAL SEMINAR
TO PROMOTE BUSINESS COMPETITIVENESS

¶1. On July 1, the Ministry of Labor, in coordination with representative organizations of the Guatemalan labor movement and civil society, hosted the "First National Seminar to Promote Employment and Business Competitiveness through Compliance with Labor Laws in Guatemala." Government officials, civil society leaders, labor leaders, and international representatives, including international brands in the apparel and textile industry, participated in the one-day seminar held in Guatemala City.

¶2. The Ministry of Labor, USG-funded Global Fairness Initiative (GFI), Mario Lopez Larrave Foundation's Labor Training Center of Guatemala (FMLL-CCSG), and the Association for Research and Social Studies (ASIES) co-sponsored the seminar as part of President Colom's campaign pledge to create 700,000 new jobs over the next four years and to promote rural development. The symposium examined the inter-related themes of job creation, competitiveness of national businesses, and compliance with labor laws as an instrument of global competitiveness. Roundtable discussions focused on four areas: social justice, health and work environment, corporate and union social responsibility, and employment generation.

¶3. Vice President Espada inaugurated the event, highlighting the importance of corporate social responsibility, social investment, and fair trade. He acknowledged the government's responsibility for economic development, but underscored the need for all sectors -- government, employers, and employees -- to work together to improve labor compliance. The GOG, he said, has been mediating between employers and workers to improve compliance and to increase productivity. While acknowledging that Guatemala has had a difficult past, Espada expressed optimism about its future, citing the country's abundant resources -- its ideal geography, its fertile land and water supply, but most importantly, its people. He acknowledged that insecurity is one of the biggest challenges to promoting investment and generating jobs, but asserted that Colom's campaign promise is attainable with collective effort and a larger budget for security forces.

¶4. Minister of Labor Edgar Rodriguez noted that Guatemala's lack of security and weak infrastructure have limited foreign investment. Many companies want to invest, but are concerned about the costs of investing in security measures and the lack of judicial certainty regarding labor rights. He expressed the Ministry's commitment to improve compliance to create a business climate more attractive to investors.

¶5. The Ambassador, who participated in the inauguration, commented that the U.S., among others in the international community, is helping reduce unemployment in Guatemala. The USG is funding several projects in Guatemala and the region with CAFTA-DR labor capacity-building funds. The United States also has a program for temporary unskilled workers,

which last year enabled 4,412 Guatemalans to legally work in the U.S. The Ambassador stressed, however, the need for Guatemala to create a legal framework to generate jobs and to improve local working conditions to deter the flow of migrants.

¶6. Comment: Labor Minister Rodriguez invested significant political capital in organizing this event after plans to hold it in the final months of the Berger Administration failed to secure the support of the Labor Ministry or the private sector. The result was a high-profile event that successfully brought together business and labor organizations, civil society, and government to discuss key labor issues, especially compliance, to position Guatemala as an attractive destination for foreign investment. There was recognition that corporate social responsibility, a relatively new phenomenon, is still gaining legitimacy in Guatemala, but that progress is being made. Participants all agreed on the need to strengthen the Ministry of Labor, particularly the Labor Inspectorate, and on the importance of creating space for constructive tripartite dialogue. Labor unions recognized that they have shared responsibility for strengthening compliance, and committed themselves to demonstrating that they are credible partners who are part of the solution rather than part of the problem.

Derham